



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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**Registrar**

No. NEPRA/R/ADG(Trf)/TRF-308/HSRPEL-2015/3528-32

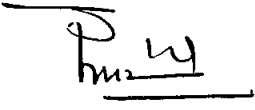
July 22, 2022

Chief Executive  
Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd.  
House No. 4, A, Street No.20,  
F-8/2, Islamabad  
Phone: (03000 805869, 0310 7878539)

**Subject: Decision of the Authority in the matter of Fuel Price Adjustment for the month of June 2022 for Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited (HSR) [Case No. NEPRA/R/TRF-308/HSRPEL-2015]**

Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge (Annex-I), Details of Shipments (Annex-II), Marine Freight Calculation (Annex-III) and Inland Freight Charges (Annex-IV) (06 pages) in the matter of fuel price adjustment on account of Coal price variation for the month of June 2022 in respect of Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited.

Enclosure: As above

  
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( Syed Safeer Hussain )

CC:

1. Secretary Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE ADJUSTMENT FOR THE MONTH OF JUNE 2022 FOR HUANENG SHANDONG RUYI (PAKISTAN) ENERGY PRIVATE LIMITED.**

1. Pursuant to the Authority's decision dated March 31, 2015 in the matter of Approval of Upfront Coal Tariff for 2x660 MW coal power plant of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited (HSRPEL), decision dated September 23, 2016 regarding Suo Moto Review Proceedings in the Fuel Price Adjustment Mechanism, decision dated February 15, 2018 regarding inland freight charges, decision dated January 17, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of HSRPEL and decisions dated August 22, 2019 & May 6, 2021 in the matter of motion for leave for review regarding fuel price adjustments, the fuel portion of the energy charge part of HSRPEL's tariff has been adjusted for variation in coal price(s). HSRPEL requested weighted average coal price of US\$ 453.24/Ton for coal consumed during the month of June 2022. HSRPEL requested fuel cost component of Rs. 33.1906/kWh for June 2022.
2. It has been observed that Argus/McCloskey's published coal price index also specifies price differentials to API 4. It has been provided in the index report that to calculate a fixed price, apply the differential to the API 4 contract. Following differentials are applicable for the months of March 2022 and May 2022:

Description	Heat kcal/kg	Unit	March Average	May Average
5,700 differential	6,000	US\$/Ton	17.18	(0.02)
5,500 differential	5,500	US\$/Ton	(0.91)	(18.23)

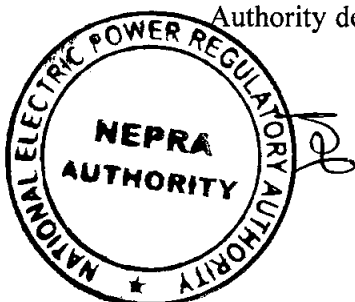
3. In accordance with the above differentials, the API 4 price for each shipment from Richards Bay has been calculated as under:

Shipment No.	API 4 Price (US\$/ton)	Differential/Premium (US\$/ton)	Fixed Price (US\$/ton)	Heat (kcal/kg)	Actual Heat (kcal/kg)	Heat Adjusted Price (US\$/ton)	Price As Per Commercial Invoice (US\$/ton)	Difference (US\$/ton)
HSR 321	335.67	(0.91)	334.76	5,500	5,515	336.59	308.54	28.05
HSR 322	322.96	(0.02)	322.94	6,000	5,720	307.87	307.89	(0.02)

4. Since the coal price as per commercial invoice for shipment No. 321 is less than the calculated coal price as per price differentials, therefore, the coal price as per commercial invoice has been considered.
5. In accordance with the prescribed mechanism, the revised coal prices for each shipment have been worked out and are attached as Annexure to this decision. The revised fuel cost component of energy charge part of HSRPEL's tariff indicated hereunder shall be immediately applicable to units delivered during the month.

Period	Fuel Cost Component (Rs./kWh)	
	Reference	Revised
June 2022	4.9135	29.1166

6. As per the coal price adjustment mechanism dated September 23, 2016, coal imports were envisaged only from South Africa, Indonesia and Australia. In case of Columbian coal, the Authority decided that IPP should be allowed to import coal from Colombia, as long as the



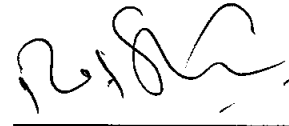
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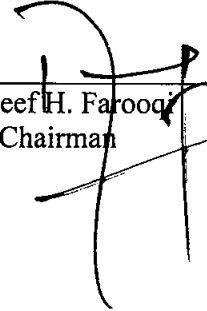
delivered price to any of the Pakistan Port in terms of US\$/MMBTU is comparable to South Africa coal or Indonesia, whichever is lower at that time.

7. HSR procured one shipment from Russia. Since no mechanism exist for Russian coal, the same has been assessed on the basis of mechanism provided for South African coal in line with Colombian coal.
8. Marine freight has been worked out on the basis of 42,300 tons and 50,000 tons or actual ship quantity whichever is higher for ships unloaded at PQA Marginal Wharf 3&4 and PIBTL/KPT respectively. PDA charges have also been worked out on the same basis of respective quantities. HSRPEL has been including Marine Gas Oil (MGO) consumption in the marine freight while none of other similar coal power plants is requesting the same, therefore, the Authority has decided not to consider MGO consumption in the calculation of marine freight.
9. The above referred revised fuel cost component along with revised coal prices, revised marine freight charges and revised inland freight charges attached as **Annex-I, Annex-II, Annex-III & Annex-IV** respectively are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
10. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

**AUTHORITY**

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Tauseef H. Farooq  
Chairman



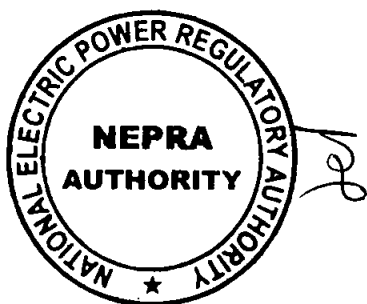
  
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**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Schedule of Fuel Cost Part of Energy Charge**  
**Adjustment on Account of Coal Price Variation for the Month of June 2022**

Description	Quantity	Net CV	Coal Price		Exchange Rate
	Ton	kCal/Kg	US\$/Ton	Rs/Ton	Rs./US\$
<b>Consumption from Stock:</b>					
Consumption from Shipment No. HSR 320	32,124	5,642	377.74	69,908	185.07
Consumption from Shipment No. HSR 321	48,105	5,515	418.66	75,358	180.00
Consumption from Shipment No. HSR 322	43,522	5,720	409.21	80,201	195.99
<b>Total Consumption</b>	<b>123,751</b>	<b>5,620</b>	<b>404.71</b>	<b>75,647</b>	<b>186.91</b>

Description	Unit	Reference	Previous	Revised
Avg. price of stock consumed during the month	Rs./Ton	13,605	75,682	75,647
Avg. net calorific value of stock consumed during the month	kCal/Kg	5,990	5,729	5,620
Avg. net calorific value of stock consumed during the month	BTU/Kg	23,768	22,734	22,302
Net Heat Rates	BTU/kWh	8,584	8,584	8,584
<b>Revised Fuel Cost Component</b>	<b>Rs./kWh</b>	<b>4.9135</b>	<b>28.5768</b>	<b>29.1166</b>

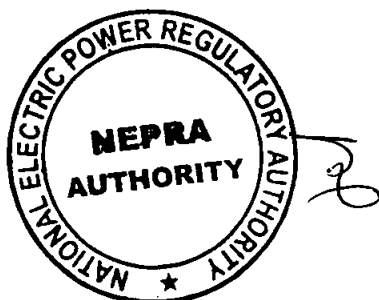
**Note:** The above adjustment of fuel cost component on coal shall be subject to verification by a consultant/Independent third party to be appointed for the purpose by the Authority. In case the verified delivered coal price is different, the fuel cost component shall be revised accordingly.



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**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Details of Shipmnets**  
**For the Month of June 2022**

Shipment Number		HSR 321	HSR 322
Vessel Name		MV HS Winning	MV Ocean Venus
Bill of Lading (B/L) Date		16-Mar-22	18-May-22
L/C / TT Number			
Origin		Russia	South Africa
API-4 Index for the month of B/L Date	US\$/Ton	335.67	322.96
Coal Price Differential to API 4 for the month of B/L	US\$/Ton	-	(0.02)
Fixed Price	US\$/Ton	335.67	322.94
Base Calorific Value	kCal/Kg	6,000	6,000
Actual Calorific Value	kCal/Kg	5,515	5,720
Quantity	MT	48,600	44,000
FOB Coal Price API-4 Index as per B/L month Adjusted for CV	US\$/Ton	308.54	307.87
Adjustment for Sulphur Content	US\$/Ton	-	-
Marine Freight Charges	US\$/Ton	37.03	40.78
Marine Insurance	US\$/Ton	0.35	0.30
CIF Coal Price	US\$/Ton	345.91	348.96
Handling Loss 1% or actual whichever is minimum	US\$/Ton	-	-
CIF Coal Price with losses at Karachi	US\$/Ton	345.91	348.96
Other Charges:	US\$/Ton	42.20	31.50
(i) Port Handling Charges	US\$/Ton	4.59	4.23
(ii) Port Qasim Royalty Charge	US\$/Ton	2.38	2.40
(iii) Customs Duties & Cess	US\$/Ton	29.37	22.95
(iv) L/C / TT Charges	US\$/Ton	0.10	0.10
(v) PDA Charges at Load Port	US\$/Ton	0.60	0.65
(vi) PDA Charges at Discharge Port	US\$/Ton	0.65	0.94
(vii) Freight Forwarding/Custom Clearance	US\$/Ton	0.02	0.02
(viii) Wharfage Charges	US\$/Ton	0.19	0.17
(ix) Commodity & Ash Fusion Temperature Inspection	US\$/Ton	0.04	0.04
(x) Transportation & Loading Charges	US\$/Ton	4.25	-
Inland Freight Charges	US\$/Ton	26.40	24.70
Delivered Coal Price before adjustment of Handling Loss	US\$/Ton	414.51	405.16
Handling Loss 1% or actual whichever is minimum	US\$/Ton	4.15	4.05
Delivered Coal Price with losses at Power Plant	US\$/Ton	418.66	409.21
Exchange Rate	Rs./US\$	180.00	195.99
<b>Delivered Coal Price with losses at Power Plant</b>	<b>Rs./Ton</b>	<b>75,358.29</b>	<b>80,201.26</b>

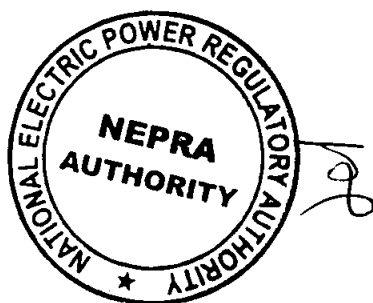


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## Annex-III

**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Marine Freight Calculation**  
**For the Month of June 2022**

Description		HSR 321	HSR 322
		MV HS Winning	MV Ocean Venus
		PIBT	PQA
Delivery Days:			
Voyage	Days	27.04	27.04
At Port	Days	4.33	6.87
Total Delivery Days	Days	31.37	33.90
Average Time Charter Rate	US\$/Day	32,330	30,251
Time Charter Cost	US\$	1,014,219	1,025,635
Bunker Consumption:			
Bunker during Voyage	Ton	878.72	878.72
Bunker during Port Days	Ton	21.67	34.33
Total	Ton	900.39	913.05
Bunker Price	\$/Ton	930.00	842.00
Bunker Cost	US\$	837,358	768,790
Total Voyage Expense	US\$	1,851,577	1,794,425
Quantity	Tons	50,000	44,000
Marine Freight	US\$/Ton	37.03	40.78
*PDA Charges both at Load and Discharge Ports have been included in Other Charges.			



**Huaneng Shandong Ruyi Energy (Private) Company Limited**  
**Inland Freight Charges**  
**For the Month of June 2022**

Description	Reference	Revised	
		HSR 321	HSR 322
	Rs/Ton/km	MV HS Winning	MV Ocean Venus
Fixed Freight Charges (FFC)	1.77	2.05	2.05
Variable Freight Charges (VFC)	0.81	1.14	1.21
(i) Fuel	0.40	0.67	0.74
(ii) O&M	0.40	0.47	0.47
Other Freight Charges Component	0.72	0.72	0.72
Profit Margin	0.23	0.23	0.23
<b>Total Freight Charges (Rs/Ton/km)</b>	<b>3.53</b>	<b>4.14</b>	<b>4.21</b>
Distance (Km)	1,060	1,060	1,060
<b>Total Freight Charges (Rs/Ton)</b>	<b>3,743</b>	<b>4,388</b>	<b>4,465</b>
<b>Indexation Values:</b>			
Consumer Price Index Base Year 2015-16	131.67	152.51	152.51
HSD Price (Rs./Liter)	87.12	144.15	159.63
<b>Spurline Component:</b>			
Spurline Component (Rs./ton)	189.82	363.74	376.65
Total Quantity Handeled (Tons)	302,087	157,645	152,243
<b>Inland Freight Charges with Spurline (Rs/Ton)</b>	<b>3,933</b>	<b>4,752</b>	<b>4,841</b>
Exchange Rate	-	180.00	195.99
<b>Inland Freight Charges with Spurline (USD/Ton)</b>	<b>-</b>	<b>26.40</b>	<b>24.70</b>
Handling Month	-	Apr-22	May-22

